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BANKRUPTCY—PREFERENCES.—In our discussion of the ruling in *Pirie v. Chicago Title and Trust Company*, ante pp. 438 and 439, in which the United States Supreme Court held that a payment of money by an insolvent debtor to a creditor within four months of the filing of his petition, the debtor not intending to give nor the creditor to receive a preference, nevertheless constituted a preference within the meaning of the Bankrupt Act and must be surrendered as a condition precedent to the proving of the balance of the claim, we noted the fact that the court left open the question as to the effect of a payment made prior to the four months. *Re Jones*, 4 Am. B. R. 563, 110 Fed. 736, was cited to the effect that the creditor must surrender *all* payments received after debtor's insolvency, whether within the four months or not. This decision was made before that in the *Pirie* case, *supra*. But in *Re Abraham Steers Lumber Co.*, 110 Fed. 738, the same ruling is made in the light of the *Pirie* case, Judge Thomas, of the United States District Court for the Southern District of New York, saying :

"The court is constrained to the conclusion that there is no time limit to the operation of section 60a. The suggestion of the Supreme Court in *Carson, Pirie, Scott & Co. v. Chicago Title and Trust Co.*, 5 Am. Bankr. R. 814, 21 Sup. Ct. 906, tends in such direction ; and the discussion of Judge Lowell in *Re Jones*, 4 Am. Bankr. R. 563, 110 Fed. 736, states the view that may be adopted most reasonably. Some limitation of time upon the operation of section 60a may be advisable, but an examination of the act and of the different parts thereof fails to disclose that it exists. The labor, credited August 28th, and amounting to \$37.17, may be offset, as it cannot be regarded as a transfer of property."

In the *Jones* case, *supra*, Lowell, J., of the United States District Court for Massachusetts, had concluded his opinion thus :

"If the court is compelled to choose between a construction which requires all preferences to be surrendered before proof whenever they are received, whether the creditor has knowledge of the intent to prefer or not, and a construction which permits the preferred creditor to prove, while retaining a preference received more than four months before the filing of the petition, with full knowledge of the intent to prefer, I am brought to believe that the first construction is more consonant with the general spirit of the act. It cannot be said, indeed, that this construction is clear beyond a doubt, but it seems to me to result logically from the case cited, which I am bound to follow. Were I to form a bankrupt act as seemed to me best for the interests of the community, I might differ from Congress in some respects. That is not my office. If the construction thus put upon section 57g makes it a real menace to legitimate business, concerning which no opinion is expressed, it is from Congress that relief must be sought."

A further definition of what is *not* a "transfer of property" is given in *Re Steers Lumber Co.*, *supra*, where an insolvent debtor performed labor for a creditor and was given credit therefor upon his indebtedness. *Held*, not a preference.

BANKRUPTCY—HOMESTEAD EXEMPTION.—An important ruling of the United States Circuit Court of Appeals for the Fourth Circuit (sitting at Richmond) was that rendered November 5, 1901, in *Moran v. King*, for a copy of the opinion in which we are indebted to the clerk of that court. It was held that a bankrupt who claims with his schedule of debts and assets a homestead exemption in less property than the maximum exemption allowed under the Virginia statute, cannot afterwards be permitted to amend his schedule and claim a larger exemption for the purpose of favoring certain creditors who hold notes waiving the homestead exemption.